

14 May 1981

DCI Talking Points for 15 May NSC Meeting: *NFAC Says Still current 5/28*

NICARAGUA-HONDURAS: PROSPECTS FOR CONFLICT

- I. Deep antagonism and frequent border clashes may eventually lead to war between Honduras and Nicaragua, but probably not in the near term.
 1. It is unlikely that an intentional conflict will occur over the next few months.
 2. But there is always the chance that an incident could escalate into serious conflict.
- A. In response to clashes of recent weeks, neither side has substantially reinforced frontier posts; and talks are underway to avoid future clashes.

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1. Nicaragua's rapid military buildup with Cuban aid and Soviet-bloc weaponry, and its movement toward a Cuban-style regime.
2. Sandinista links to Honduran leftist groups and arms trafficking to Salvadoran insurgents via Honduras.

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1. The combat strength of the Honduran Army is only about 7,000, but the Air Force is the most sophisticated in Central America, with 16 Super Mystere jet fighters.

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III. The Sandinistas consider Honduras their chief military threat, believing Tegucigalpa--with US backing--is fomenting counterrevolution and planning to invade Nicaragua.

A. Managua's military preparations include:

1. Rapid buildup of the armed forces to an estimated 23,000 soldiers and active militiamen, with well over 50,000 in the militia reserve;
2. Construction of four new military bases of Cuban design, as well as three smaller installations, near the Honduran border; the existing base at Puerto Cabezas has been refurbished.
3. Deployment of antiaircraft and antitank guns and handheld SA-7 missiles; Soviet T-55 tanks and SA-2 missiles reportedly will be provided as well.
4. Incursions to test the reaction capabilities of the Honduran Army and Air Force.
5. Increased intelligence and propaganda activities in Honduras, as well as stepped-up assistance to Honduran leftists.

B. Managua has issued a "white paper" charging the US and Honduras with seeking to destabilize the Nicaraguan Government;

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C. The Sandinistas are unlikely to stage an attack on Honduras in the near term, although a border clash may get out of hand.

1. Managua will take a more belligerent attitude after it acquires jet fighters to offset Honduras' air superiority.